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OF COUNSEL
WILLIAM G. CONLY

February 23, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Lower Cotton Valley Formation, Reservoir A; Cotton Valley
"D" Zone; and Hosston (Travis Peak) Formation; SLIGO
FIELD, Bossier Parish, Louisiana.

Dear Sir:

GREYSTONE PETROLEUM, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Lower Cotton Valley Formation, Reservoir A; the Cotton Valley "D" Zone; and to the Hosston (Travis Peak) Formation; all in the Sligo Field, Bossier Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize two (2) additional alternate unit wells for CV D SUN and LCV RA SUA, and a unit well for CV D SUX and LCV RA SUF, at the locations shown on the attached plats.
2. To approve exceptions to the well location provisions of Office of Conservation Order No. 8-B, effective September 1, 1956 (applicable to the Cotton Valley "D" Zone) and Office of Conservation Order No. 8-K, effective October 16, 1990 (applicable to the Lower Cotton Valley Formation, Reservoir A), for any of the proposed wells the location of which, as shown on the attached plats, is not in compliance with the provisions of such Orders.
3. To find that drilling, designation and use of each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the Cotton Valley "D" Zone and the Lower Cotton Valley Formation, Reservoir A, underlying the units on which such wells are proposed to be drilled which cannot be efficiently and economically drained by any existing well within these units.

4. To permit the operator of CV D SUN and LCV RA SUA to produce the allowables assigned to these units from either the substitute unit well, any alternate unit well, or from any combination of such wells, at the option of the operator.

5. To designate Applicant as operator of CV D SUX and LCV RA SUF.

6. To approve the downhole combination of production from the Hosston (Travis Peak) Formation, the Cotton Valley "D" Zone and the Lower Cotton Valley Formation, Reservoir A, or any combination thereof, in the wellbore of any existing or subsequently drilled well located on the identical units designated HOSS TP SUO, CV D SUX and LCV RA SUF, each of said units comprising the entirety of Section 24, Township 17 North, Range 12 West, Bossier Parish, Louisiana.

7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Cotton Valley Formation, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-K, effective October 16, 1990.

The Cotton Valley "D" Zone and the Hosston (Travis Peak) Formation in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

Pertinent data concerning this application is available for inspection at the offices of Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

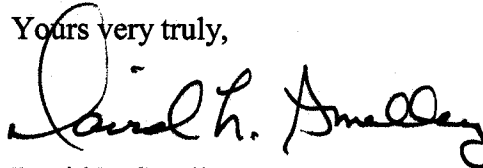
Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the two (2) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

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Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,



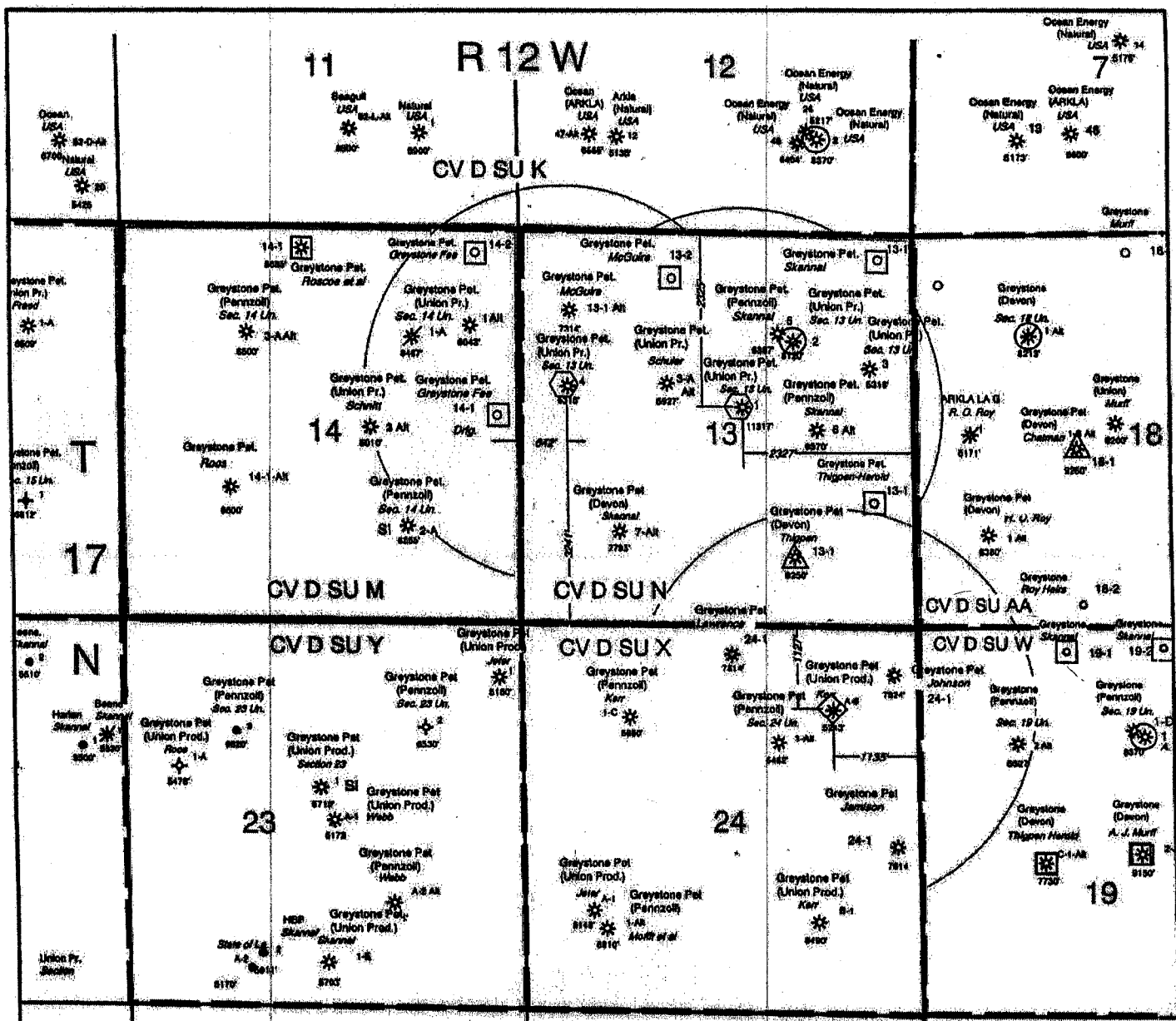
David L. Smelley

-- Attorney for Greystone Petroleum, L.L.C.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Carl Drews (w/encls.)
Mr. Joe Adams (w/encls.)
Ms. Kaye Davis (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)



0 2 4
SCALE IN 1000 FEET

Wells less than 5000' deep not shown.

- Unit Well
- Proposed Alternate Unit Well
- △ Alternate Unit Well
- ◇ Substitute Unit Well

Note: 2640' radius measured into adjacent units.

Docket No. 04-

Exhibit No.

GREYSTONE PETROLEUM, LLC

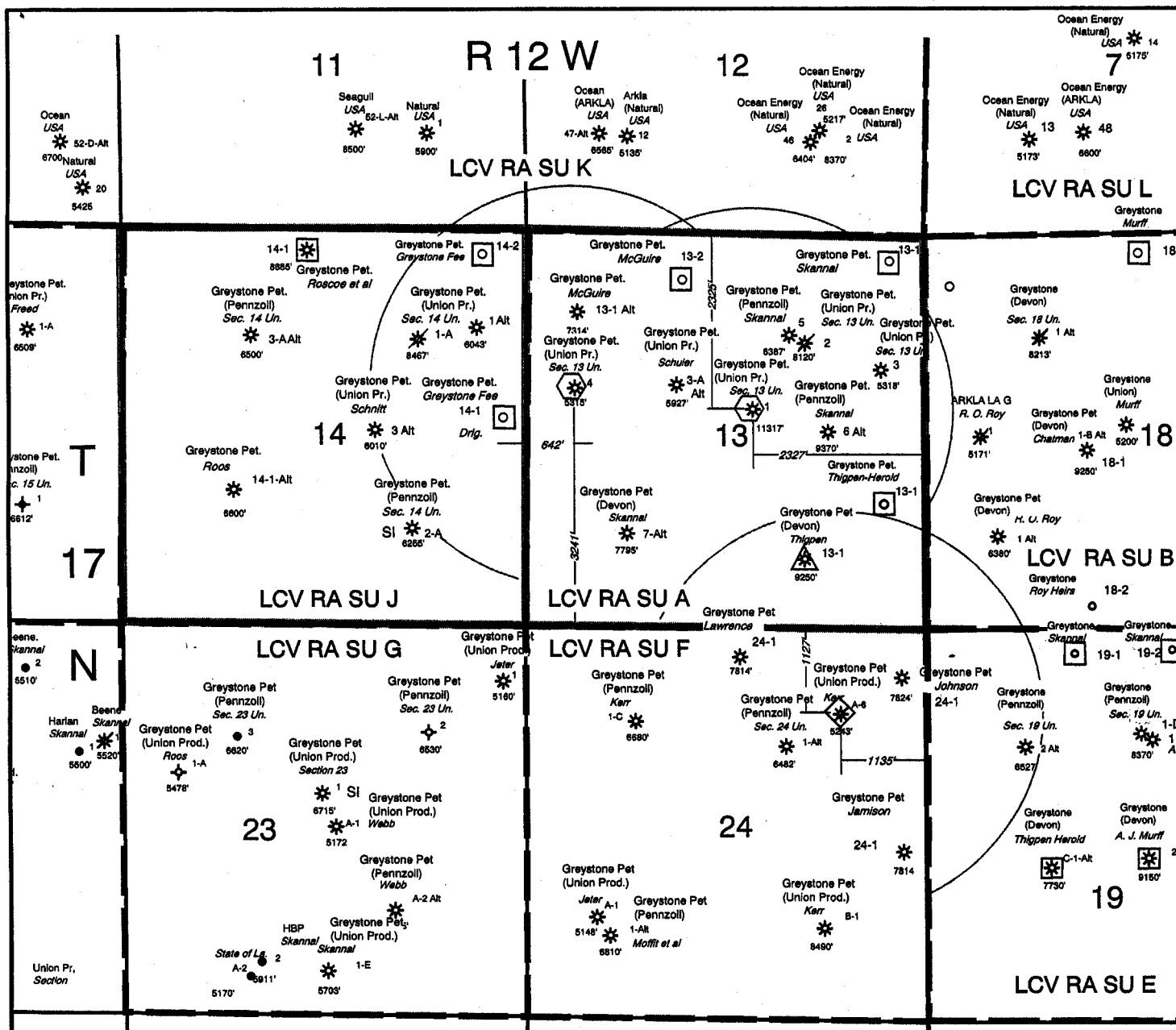
Silgo Field

Beauregard Parish, Louisiana

Proposed Alternate Unit Wells
CV D SU N and X

Date:

Joe B. Adams Consulting Geologist



Wells less than 5000' deep not shown.

- Unit Well
- Proposed Alternate Unit Well
- Alternate Unit Well
- Substitute Unit Well
- Proposed Unit Well

Note: 2640' radius measured into adjacent units.

Docket No. 04-

Exhibit No.

GREYSTONE PETROLEUM, LLC

Sligo Field

Bossier Parish, Louisiana

Proposed Alternate Unit Wells
LCV RA SU A and F

Date:

Joe B. Adams Consulting Geologist